

البنك الأهلي  
ahlibank



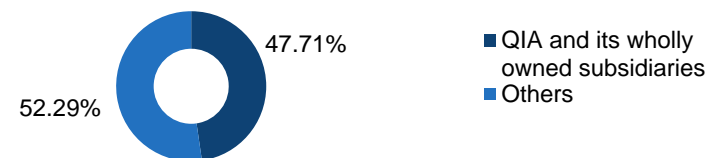
# Investor Presentation H1 2024

# Overview

## Overview

- Founded in 1983 and listed on the Qatar Stock Exchange,
  - Market cap of QAR 9.48 bln (as of 30 June 2024)
  - Has a network of 11 branches and 94 ATMs throughout Qatar
  - Best regulated banking sector in the Middle East through the QCB, according to the World Bank
- Offers its wholesale and retail banking services with a focus on the Qatari market:
  - Qatar has been a steady and growing economy over the past decade
  - The bank is operating under IFRS 9 and updated Basel III frameworks
- Long term IDR of “A” by Fitch and A2/Prime I by Moody’s deposit rating
- Efficiently run bank with a cost income ratio at 21.3%
- Effective risk management and high quality loan book as proven by low non-performing assets
  - NPL ratio stood at 2.78% and conservatively provisioned (coverage of 236% including ECL provisions as of June 2024)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 21.7% as of June 2024. (based on new Basel guidelines wef 1 Jan 2024)
- ABQ has access to a number of funding sources, with the diversification of funding and proportion of medium and long-term debt in the funding portfolio increasing in recent years – stable medium / long term debt accounts for 12.8% as of June 2024.

## Shareholding Structure



- 52.29% of shareholders are Qatari firms and individuals
- QIA and its wholly owned subsidiaries directly own the remaining 47.71% of the shares
- No other shareholder owns more than 5% of the bank’s shares
- “ABQ’s A2 deposit rating reflects our assessment of a very high likelihood of government support in case of need. Ahli Bank’s BCA rating reflects the bank’s (1) solid capital and healthy liquidity (2) strong profitability and (3) contained level of reported problem loans and good provisioning coverage,” Moody’s, June, 2024

Key Indicators	2022		2023		Q2 2023		Q2 2024	
	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln
Total Assets	48,575	13,345	60,464	16,611	50,999	14,011	59,396	16,318
Total Net Loans	34,032	9,349	34,754	9,548	35,076	9,636	34,322	9,429
Total Customer Deposits	28,954	7,954	29,645	8,144	30,524	8,386	30,878	8,483
Total Equity	7,975	2,191	8,245	2,265	7,803	2,144	7,977	2,191
CAR (Basel III)	20.5%		21.0%		20.6%		21.7%	
C / I Ratio	22.4%		22.8%		23.7%		21.3%	
RoAE	11.7%		12.2%		10.7%		11.1%	

# ABQ Has Been at the Heart of the Community for Over 40 Years

1983	<ul style="list-style-type: none"> <li>Incorporated as Al-Ahli Bank of Qatar part of CitiBank operations</li> </ul>
1987	<ul style="list-style-type: none"> <li>ABQ began to operate as a standalone entity</li> </ul>
2004	<ul style="list-style-type: none"> <li>Ahli United Bank (AUB) acquires a 40% stake through issue of new shares with a ten year renewable management agreement</li> </ul>
2008	<ul style="list-style-type: none"> <li>QIA announces 20% equity infusion in Qatar's listed banks based on December 2008 share capital. As a result, ABQ received QAR 642 mln support during 2010 and 2011</li> </ul>
2011	<ul style="list-style-type: none"> <li>Ahli Brokerage Co is launched as a fully owned Licensed Brokerage House on the Qatar Exchange</li> </ul>
2012	<ul style="list-style-type: none"> <li>20% rights issue to Qatari Shareholders raising capital of QAR 448 mln</li> </ul>
2013	<ul style="list-style-type: none"> <li>Qatar Foundation for Education, Science and Community Development (Qatar Foundation) acquires a 29.41% stake in ABQ from AU</li> </ul>
2014	<ul style="list-style-type: none"> <li>New brand reflecting the identity of the bank: "at the heart of the community"</li> <li>Debut Syndicated Facility of US\$ 200 mln, 3-year loan</li> </ul>
2015	<ul style="list-style-type: none"> <li>Redesign of 6 branches, enhancing customer experience</li> <li>Strengthened stable funding profile through additional medium term loans – US\$ 200 mln</li> </ul>
2016	<ul style="list-style-type: none"> <li>Awarded debut Moody's Rating - A2/Prime-1 deposit ratings</li> <li>ABQ raises additional funds through the issuance of US\$ 500 mln 3.625% notes due 2021</li> <li>ABQ successfully closes a 3 year US\$195 mln Club Term Loan Facility</li> </ul>
2017	<ul style="list-style-type: none"> <li>ABQ second EMTN bond issue of US\$ 500 mln to the international debt capital market</li> <li>Increased 3-year committed bank funding to US\$ 250 mln and extended maturity up to 2020</li> <li>Qatar Foundation transferred its 29.41% stake in ABQ to Qatar Investment Authority, which increased QIA<sup>(1)</sup>'s stake in the bank to 47.7%</li> </ul>
2018	<ul style="list-style-type: none"> <li>Increased and extended the tenor of US\$ 200 mln of committed stable funding</li> </ul>
2019	<ul style="list-style-type: none"> <li>ABQ issued third tranche of EMTN bond for US\$ 500 mln to the international debt capital market</li> <li>New stable funding of US\$50 mln raised and extension of US\$250 mln committed bilateral facility till June 2022</li> </ul>
2020	<ul style="list-style-type: none"> <li>ABQ issued fourth tranche of EMTN bond for US\$ 500 mln to the international debt capital market in September 2020</li> <li>ABQ successfully launched a redesigned online and mobile banking platform with an easy user interface to enhance the digital banking experience of its customers.</li> </ul>
2021	<ul style="list-style-type: none"> <li>Successfully placed \$300 mln of AT1 bonds in February 2021</li> <li>Repaid first tranche of EMTN US\$ 500 Mln in April 2021</li> <li>Repaid US \$ 140 mln Asian Club Loan</li> <li>ABQ issued fifth tranche of EMTN Bond for US\$ 500 mln to the International Capital Market in July 2021</li> </ul>
2022	<ul style="list-style-type: none"> <li>Repaid second tranche of EMTN US\$ 500 Mln in February 2022</li> <li>Increased term loan bilateral facility from US\$ 250 mln to US \$ 400 Mln and extended tenor to April 2026</li> </ul>
2024	<ul style="list-style-type: none"> <li>ABQ incorporated a wholly owned subsidiary in QFC, ABQ Innovate LLC for providing consulting services across multiple domains</li> </ul>

Source: Company data. 1. QIA and its wholly owned subsidiaries.

# “At the heart of the community” – Corporate Social Responsibility

Our brand identity is a modern interpretation of a potent symbol from Qatar’s past, the oyster shell. The shell protects and nurtures its treasure, growing it over time, just as we seek to grow and protect our customers’ assets.

We ask, we listen, and we act on what we learn. We respond by producing products that genuinely meet the needs of our community. We are who we are because of our community. And that’s why we go further for our customers and our stakeholders.

Inspired



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Considered



We will always stay actively involved with our community. We aim to be a sensitive bank: knowledgeable, experienced, and insightful. We offer what our customers tell us they need most: reliable and effective products and advice they can trust.



Engaged

We are always straightforward, approachable, and responsive. We are an active part of the community. We never forget that our customers are also our neighbours.



## Corporate Social Responsibility



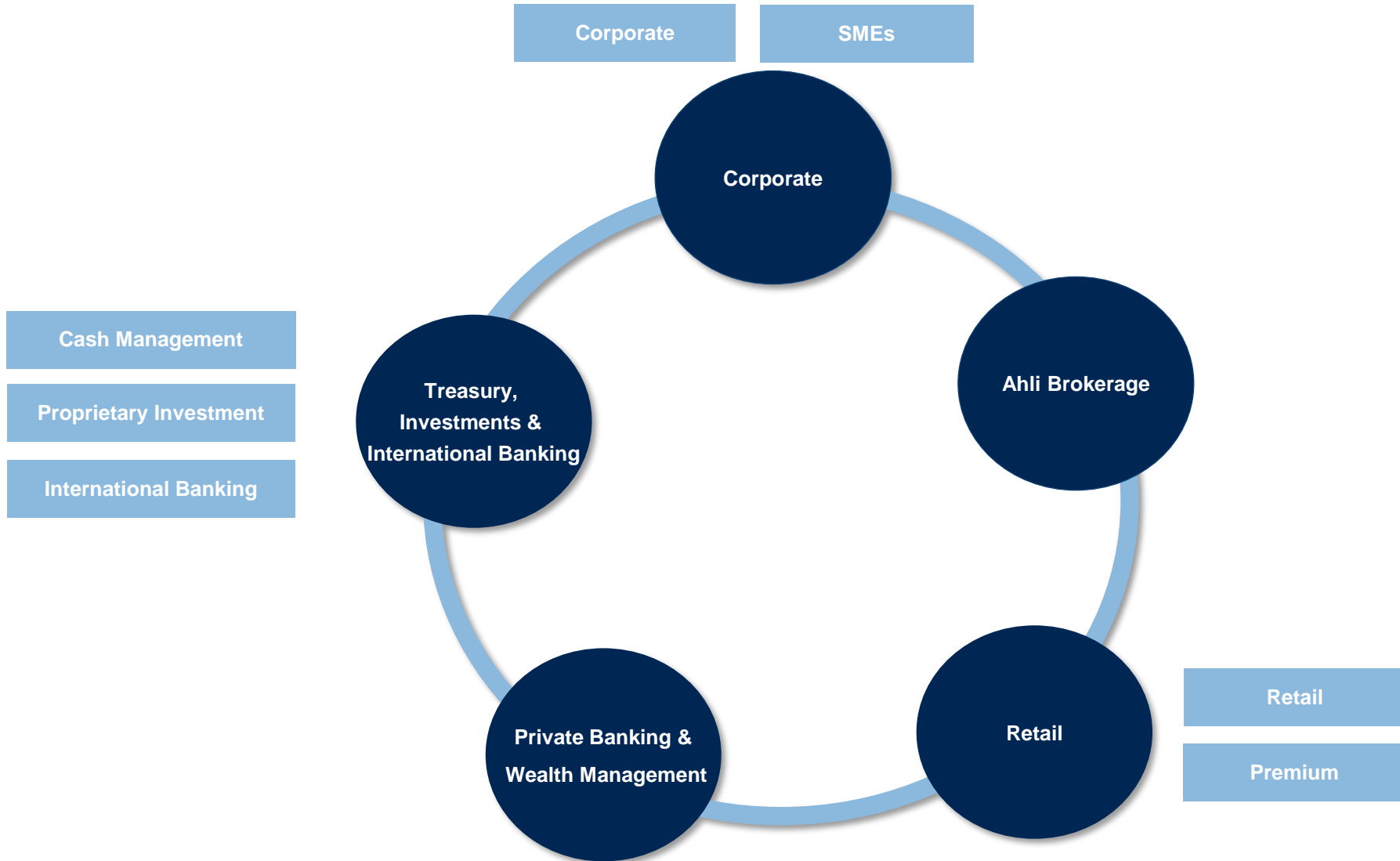
International Federation of Red Cross and Red Crescent Societies



The Qatar Society for Rehabilitation of Special Needs



# Business Lines









# Executive Summary – 2024

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1. Steady Performance with Net Profit of QR 383 mln and YoY growth of 6.5%;
2. Stable Capital Adequacy Ratio of 21.7% (based on new Basel guidelines wef 1 Jan 2024)
3. NPL Ratio stood at 2.78% (2023: 2.51%) with an enhanced coverage of 236% (2023: 234%)
4. Loan book maintained at QR 34.32 bln vis-à-vis QR 34.75 bln in Dec 2023
5. Deposits increased by 4% during H1 2024 (QR 30.88 bln) vis-a vis Dec 23 (QR 29.65 bln)
6. Regulatory developments
  - a) Loans to deposit ratio – Maximum 100% ; Debt securities (EMTN) added in denominator and weighted as per residual maturity
  - b) Required Cash reserve ratio – 4.5% on total customer deposits and additionally,  
On the maturity mismatch between foreign currency assets and liabilities (if the gap is negative) the following % are applicable.
    - i. less than 1 year – 5%
    - ii. 1 to 2 years - 3%
    - iii. greater than 2 years - NIL
7. ESG strategy and roadmap for the Bank is being rolled out.
8. Multiple Digitization and Automation initiatives continue to be the focus across the Bank

# Key Performance Highlights

	June 2024	June 2023	Growth
<b>Net Interest Income</b>	816	632	29% 
<b>Operating Income</b>	903	724	25% 
<b>Net Profit</b>	383	360	6.5% 
	June 2024	December 2023	Growth
<b>Total Assets</b>	59,396	60,464	(2%) 
<b>Loans &amp; Advances</b>	34,322	34,754	(1%) 
<b>Customer Deposits</b>	30,878	29,645	4% 

<b>NPL</b>	1,010	914
<b>Total Provisions</b>	2,385	2,135
<b>NPL Coverage</b>	236%	234%
<b>NPL Ratio</b>	2.78%	2.51%

# P&L – YTD June 2024

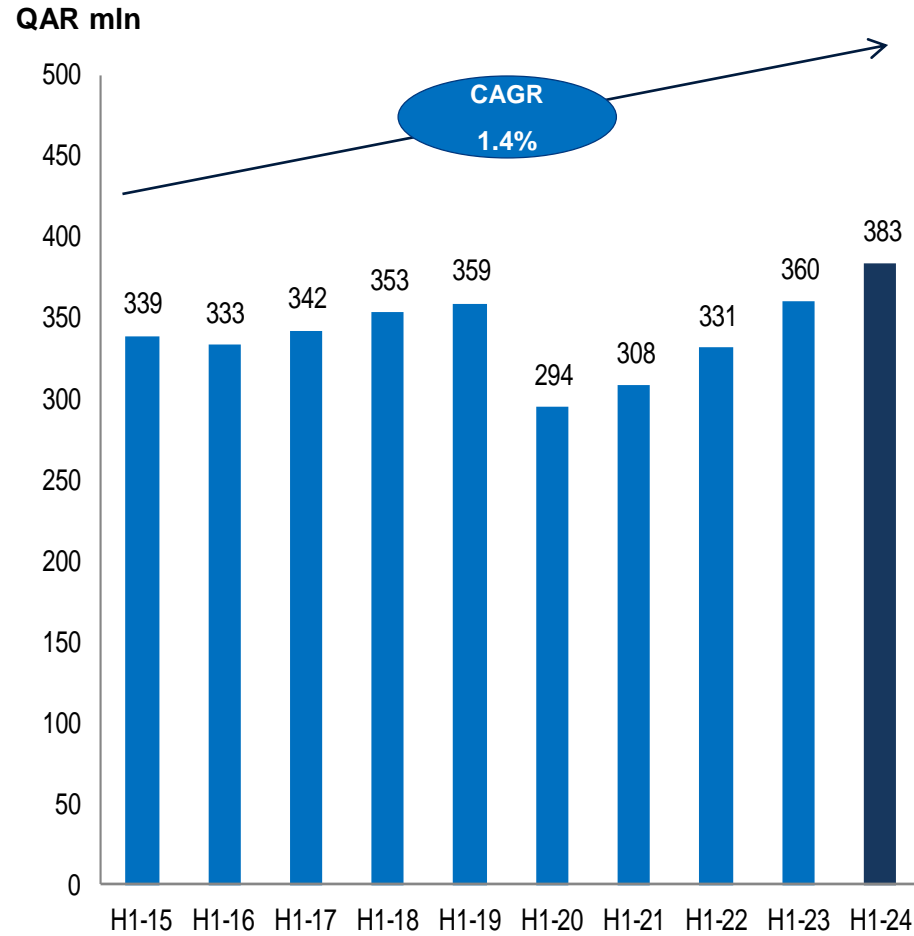
QAR '000			YOY
	Jun-24	Jun-23	Variance Fav/(Adv)
Interest income	1,756,209	1,467,918	20%
Interest expense	940,139	835,596	(13%)
<b>Net interest income</b>	<b>816,070</b>	<b>632,322</b>	<b>29%</b>
Fees and other income (Including FX)	86,487	91,797	(6%)
<b>Total operating income</b>	<b>902,557</b>	<b>724,119</b>	<b>25%</b>
Staff Expenses	93,402	92,592	(1%)
Other expenses and Depreciation	98,749	79,266	(25%)
<b>Total operating expenses</b>	<b>192,151</b>	<b>171,858</b>	<b>(12%)</b>
<b>Net operating income before provisions</b>	<b>710,406</b>	<b>552,261</b>	<b>29%</b>
Provisions for loan losses- ECL/Specific	379,499	237,404	(60%)
Recoveries of provisions	(61,103)	(44,881)	36%
	<b>318,396</b>	<b>192,523</b>	<b>(65%)</b>
Provision for repossessed collateral (D ring land)	9,000	-	-
<b>Net Provisions</b>	<b>327,396</b>	<b>192,523</b>	<b>(70%)</b>
<b>Net Profit</b>	<b>383,010</b>	<b>359,738</b>	<b>6.5%</b>
<b>Cost to Income ratio</b>	<b>21.3%</b>	<b>23.7%</b>	



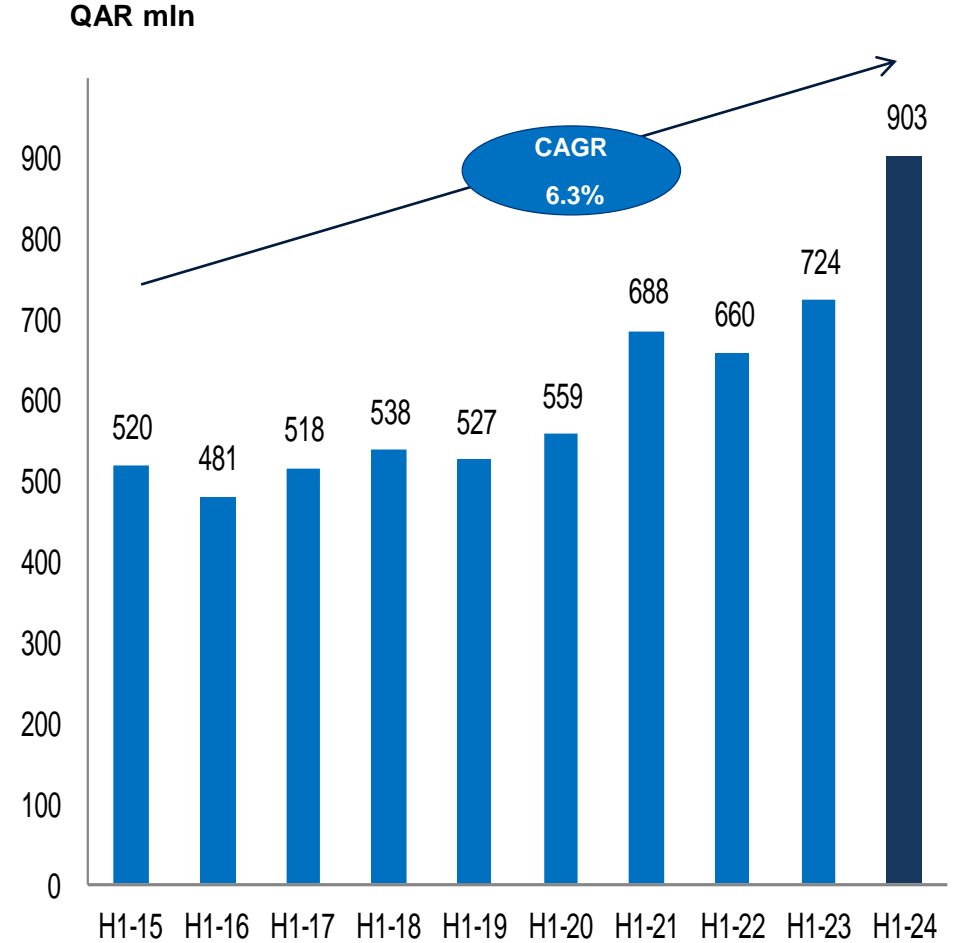
# Balance Sheet – as at June 2024

QR 'Mln	Jun-24	Dec-23	Variance	
			Amount	%
<b>Cash and Balances with central bank (includes Statutory reserve: QR 1.4 bln)</b>	<b>1,887</b>	<b>1,855</b>	<b>32</b>	<b>2%</b>
<b>Due from Banks</b>	<b>13,350</b>	<b>14,760</b>	<b>(1,410)</b>	<b>(10%)</b>
<b>Loans and Advances</b>	<b>34,322</b>	<b>34,754</b>	<b>(432)</b>	<b>(1%)</b>
SOQ	70	278	(208)	(75%)
Other Loans	34,252	34,476	(224)	(1%)
<b>Investments</b>	<b>9,258</b>	<b>8,382</b>	<b>876</b>	<b>10%</b>
<b>Others</b>	<b>579</b>	<b>713</b>	<b>(134)</b>	<b>(19%)</b>
<b>Total assets</b>	<b>59,396</b>	<b>60,464</b>	<b>(1,068)</b>	<b>(2%)</b>
<b>Due to Banks</b>	<b>12,887</b>	<b>15,001</b>	<b>(2,114)</b>	<b>(14%)</b>
<b>Customer Deposits</b>	<b>30,878</b>	<b>29,645</b>	<b>1,233</b>	<b>4%</b>
<b>Medium Term Funding</b>	<b>1,461</b>	<b>1,462</b>	<b>(1)</b>	<b>(0%)</b>
<b>EMTN</b>	<b>5,493</b>	<b>5,489</b>	<b>4</b>	<b>0%</b>
<b>Others</b>	<b>700</b>	<b>622</b>	<b>79</b>	<b>13%</b>
<b>Total Liabilities</b>	<b>51,419</b>	<b>52,219</b>	<b>(800)</b>	<b>(2%)</b>
<b>Shareholder's Equity</b>	<b>6,885</b>	<b>7,153</b>	<b>(268)</b>	<b>(4%)</b>
<b>AT-1</b>	<b>1,092</b>	<b>1,092</b>	<b>-</b>	<b>0%</b>
<b>Total Liabilities &amp; Equity</b>	<b>59,396</b>	<b>60,464</b>	<b>(1,068)</b>	<b>(2%)</b>

# Steady Operating Income

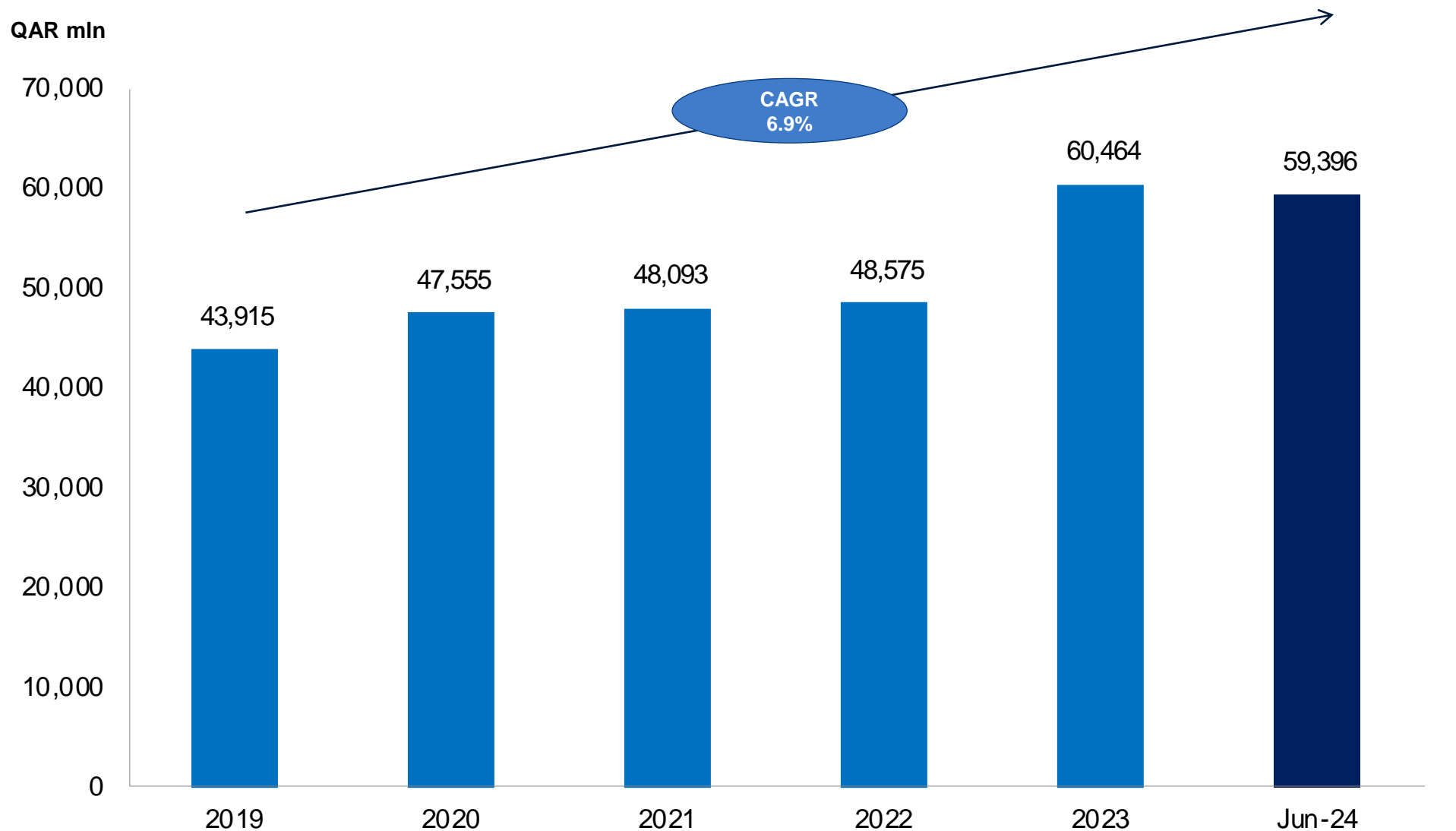


**Net Profit**

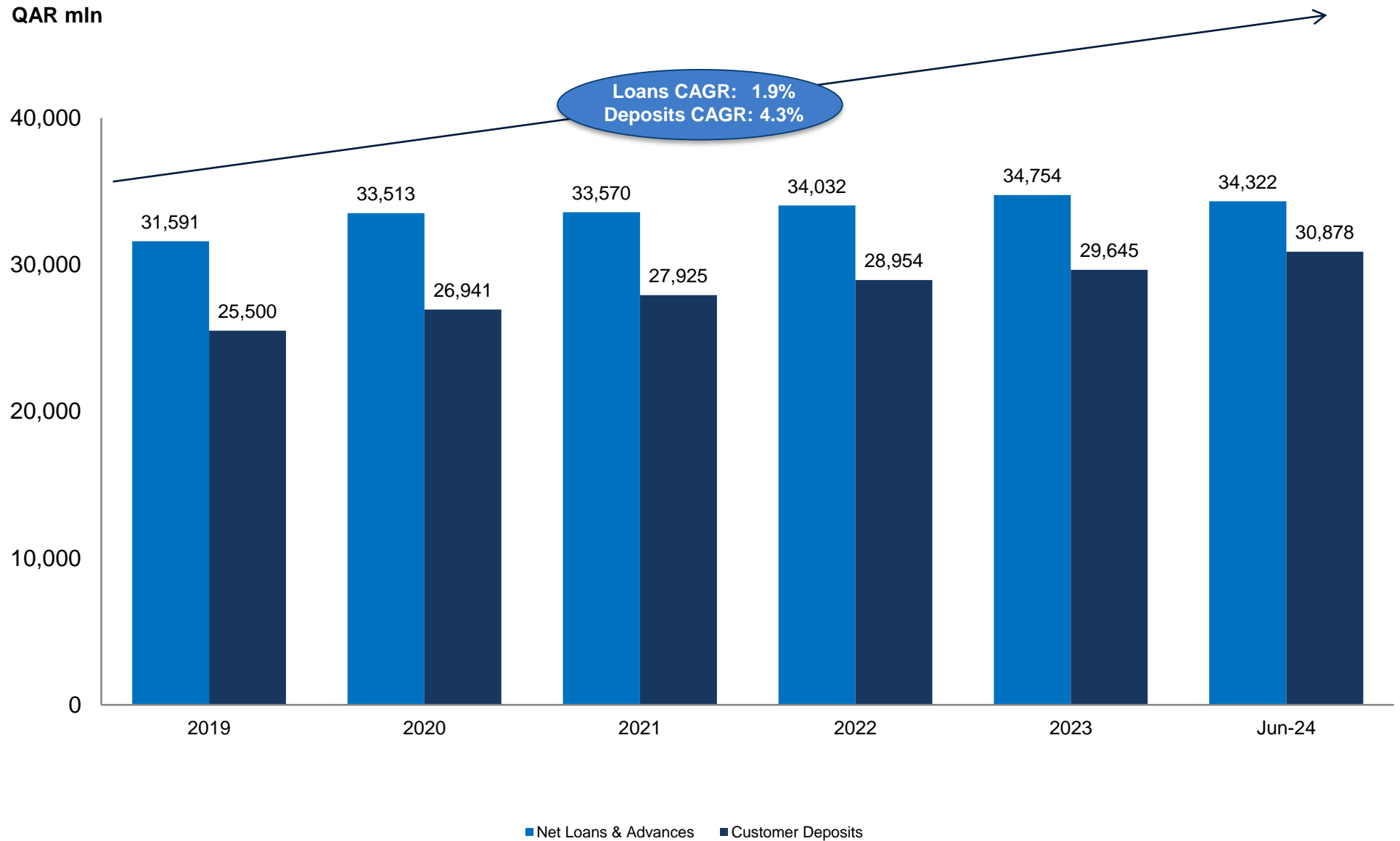


**Operating Income**

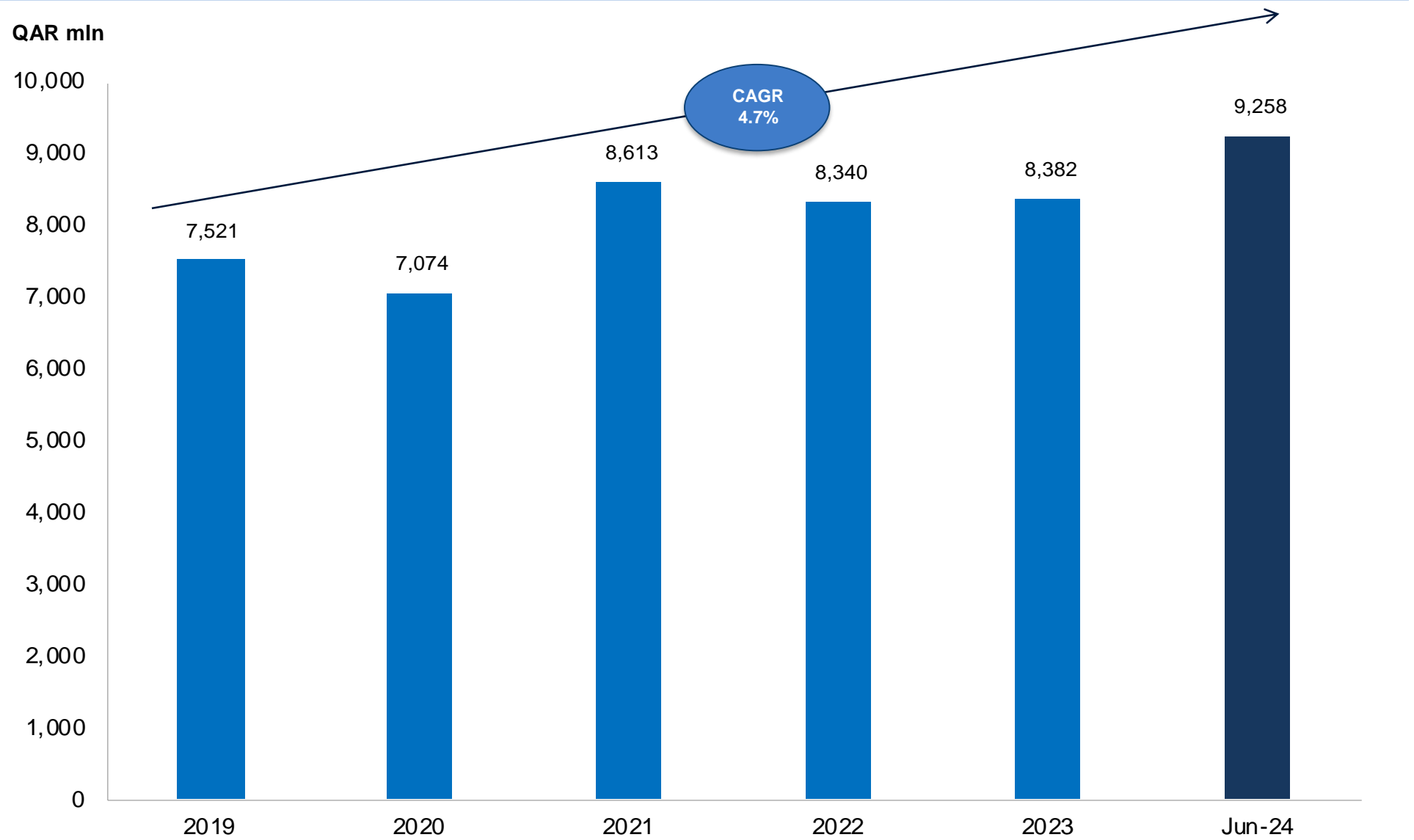
# Total Assets – Trend



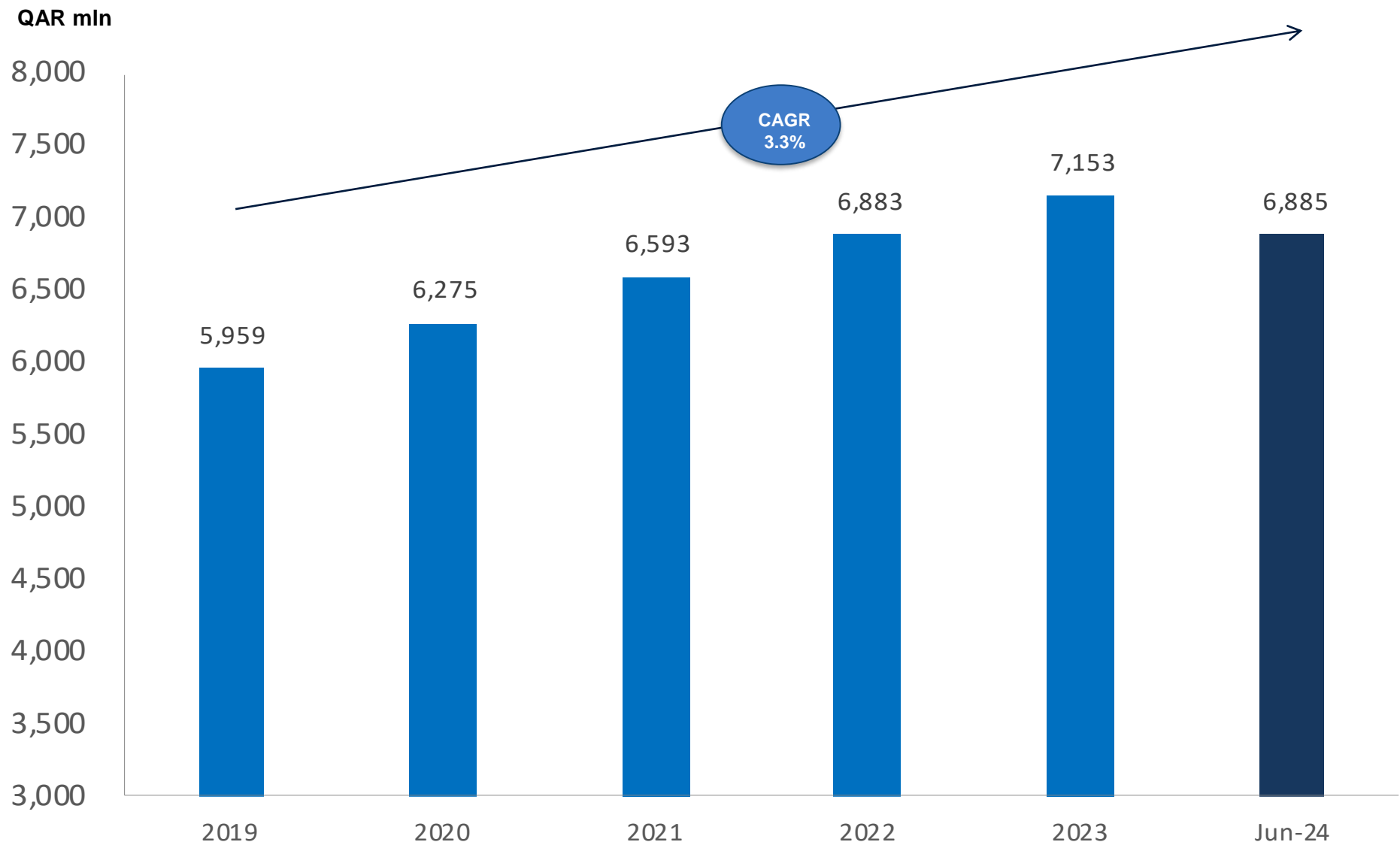
# Net Loans & Advances / Customer Deposits – Trend



# Proprietary Investments – Trend



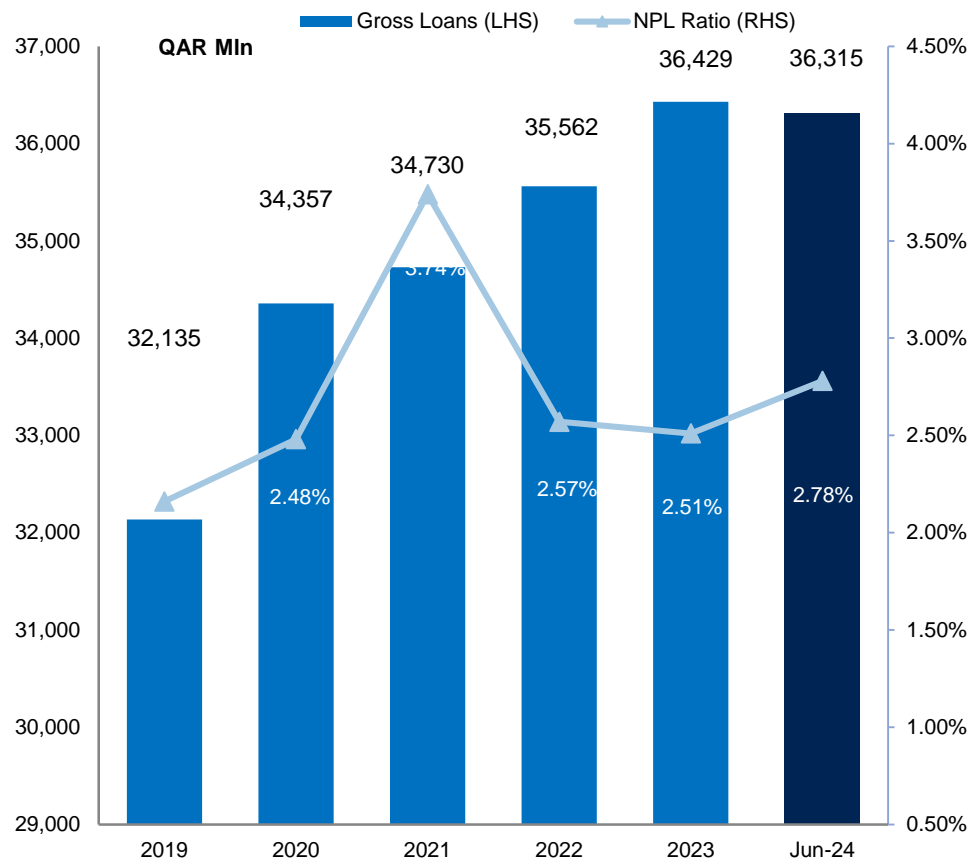
# Shareholder's Funds – Trend



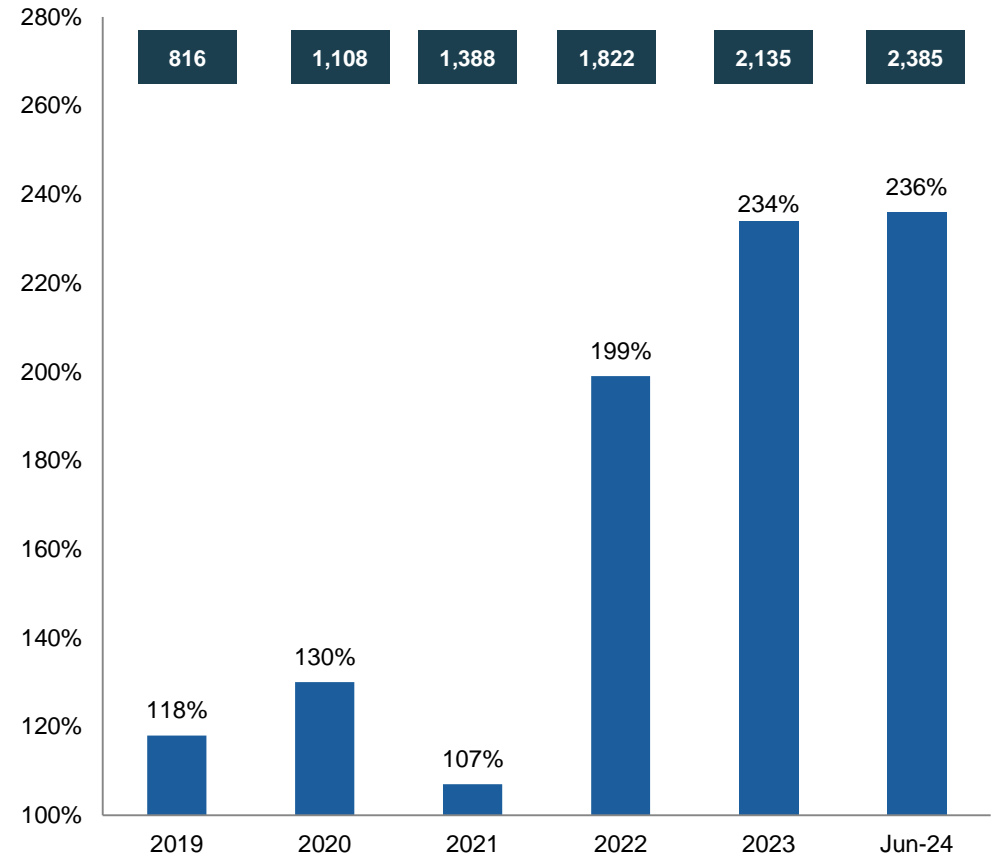
# Asset Quality

**NPL ratio of 2.78% and a coverage of 236% as at June 2024**

**Gross Loans and NPL Ratio<sup>(1)</sup>**



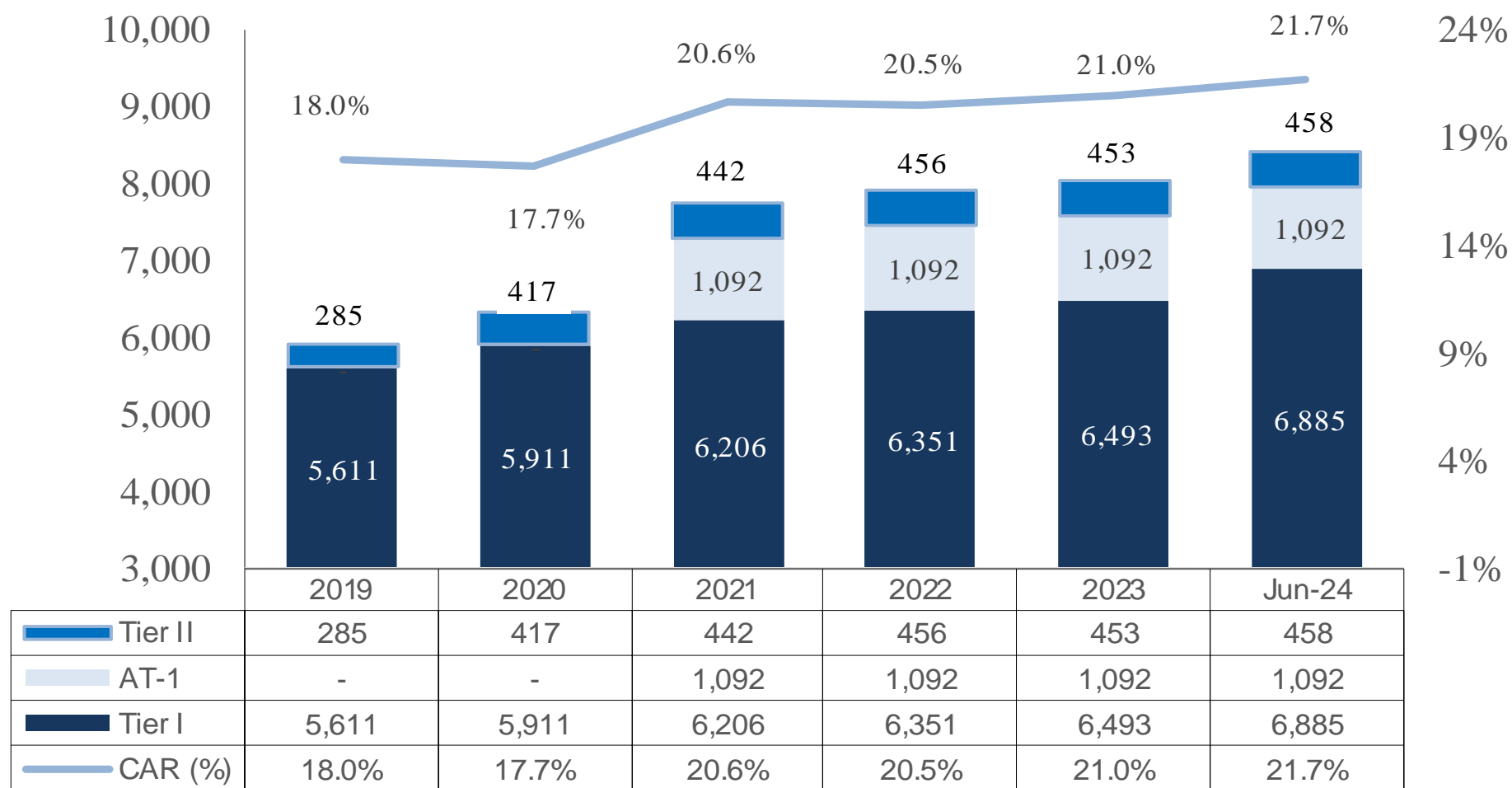
**NPL Provision Coverage<sup>(2)</sup>**



1. Non-Performing Loans divided by gross loans.  
 2. Loan loss impairment provision divided by non-performing loans.

# Capital Adequacy Ratio

QAR mln



Tier I
  AT-1
  Tier II
  CAR (%)



# Diversified Funding Mix

## Debut Syndicated Bank Facilities (Sep 2014)

- 3-year US\$ 200 mln Syndicated Term Loan Facility for general corporate funding purposes carrying a margin of 120 basis points over LIBOR
- Syndication was launched in an initial amount of US\$ 100 mln and closed significantly oversubscribed
- Refinanced by a new 3 year US\$ 195 mln STLF in Sep 2016.

## Fundraising in International Debt Capital Markets

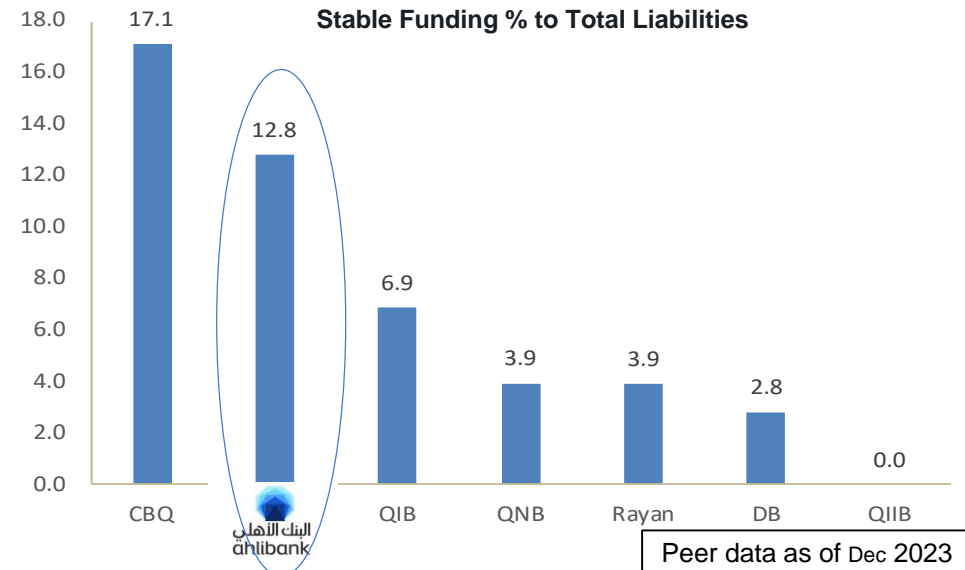
- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed. Repaid in February 2022.
- 5 year US\$ 500 mln EMTN tranche III was issued in Sep 2019 at a coupon rate of 3.125% and was 3.5 times oversubscribed
- 5 year US\$ 500 mln EMTN tranche IV was issued in Sep 2020 at a coupon rate of 1.875% and was oversubscribed 3 times.
- Perpetual debt of US\$ 300 mln was issued in February 2021 @4% to be repriced in 2026.
- 5 year US\$ 500 mln EMTN tranche V was issued in July 2021 at a coupon rate of 2% at significant oversubscription.
- Term loan bilateral facility increased from US\$ 250 Mln to US\$ 400 Mln maturing in April 2026

Description	Principal (QAR mln)	Maturity	Original Tenor
Term Loan Facility (US\$)	1,456.0	April 2026	4 years
EMTN Tranche 3 (US\$)	1,820.0	Sept 2024	5 years
EMTN Tranche 4 (US\$)	1,820.0	Sept 2025	5 years
EMTN Tranche 5 (US\$)	1,820.0	July 2026	5 years
<b>Total</b>	<b>6,916.0</b>		

## Maturity Profile

- With the new facilities, we have significantly improved our funding profile, positioning ourselves in line with most peers, and demonstrated our ability to access capital markets
- In 2018, increased and extended the tenor of approximately US\$ 200 mln of committed , stable funding.
- 5 Tranches of 5 year US\$ 500 mln EMTN each completed, thereby improving the maturity profile.
- Term loan bilateral facility increased from US\$250 Mln to US\$ 400 Mln maturing in April 2026
- First tranche of US\$ 500 mln repaid in April 2021
- Second tranche of US\$ 500 mln repaid in February 2022

## Maturity Profile



# Market Positioning

Cost to Income (%)				
	2021	2022	2023	Jun-24
QIB	18.9	18.2	18.3	18.3
QIIB	19.8	19.7	19.7	19.7
<b>ABQ</b>	<b>25.4</b>	<b>23.1</b>	<b>22.8</b>	<b>21.3</b>
QNB	23.6	20.9	21.7	21.7
Rayan	22.0	29.1	26.1	26.1
CBQ	30.6	22.7	28.5	28.5
Dukhan	0.0	28.6	31.2	31.2
DB	30.5	33.4	36.8	36.8

Return on Assets (%)				
	2021	2022	2023	Jun-24
QIB	1.83	2.02	2.08	2.08
QIIB	1.46	1.59	1.95	1.95
CBQ	1.26	1.48	1.73	1.73
Dukhan	0.00	1.14	1.43	1.43
<b>ABQ</b>	<b>1.44</b>	<b>1.55</b>	<b>1.58</b>	<b>1.29</b>
QNB	1.15	1.17	1.20	1.20
Rayan	1.28	0.80	0.94	0.94
DB	0.44	0.54	0.61	0.61

Return on Equity (%)				
	2021	2022	2023	Jun-24
QNB	15.9	16.3	17.2	17.2
QIIB	14.3	14.6	16.3	16.3
QIB	17.5	17.7	16.2	16.2
CBQ	11.2	13.6	15.2	15.2
Dukhan	0.0	9.7	11.5	11.5
<b>ABQ</b>	<b>10.9</b>	<b>11.0</b>	<b>12.2</b>	<b>11.1</b>
Rayan	10.7	5.8	6.7	6.7
DB	4.7	5.3	5.8	5.8

NIM (%)				
	2021	2022	2023	Jun-24
QIB	2.74	2.83	2.82	2.82
<b>ABQ</b>	<b>2.18</b>	<b>2.56</b>	<b>2.32</b>	<b>2.51</b>
QIIB	2.31	2.15	2.36	2.36
QNB	2.24	2.58	2.35	2.35
CBQ	2.30	2.46	2.27	2.27
DB	2.27	2.09	1.64	1.64
Dukhan	0.00	1.93	1.50	1.50
Rayan	2.30	2.06	1.45	1.45

Peer data as of Dec 2023

**Disclaimer:**

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